



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 7/29/2005

GAIN Report Number: HK5020

Hong Kong

Food and Agricultural Import Regulations and Standards

Revised Nutrition Labeling Proposal for Hong Kong 2005

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Report Highlights:

After the Hong Kong government completed a public consultation exercise and a Regulatory Impact Assessment on its proposed nutrition labeling scheme, the government modified their proposal and recently announced several changes. Phase I of the revised proposal begins with a 2-year grace period after actual enactment of the legislation. U.S. products carrying nutrient-related claims will need to provide Hong Kong nutrition labeling on prepackaged food products. Phase II will start two years after the implementation of phase one and will require that all prepackaged food products meet mandatory labeling on prescribed nutrients. All U.S. products will need to modify labeling information in order to meet Hong Kong's new requirements before they can sell to Hong Kong.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Hong Kong [HK1]
[HK]

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Summary

The Hong Kong government announced its intention to implement nutrition labeling in March 2003. Subsequently, it conducted a public consultation exercise and Regulatory Impact Assessment. The government has now developed a revised proposal for implementing nutrition labeling on prepackaged food for Hong Kong.

Hong Kong's proposed nutrition labeling scheme will be launched in two phases.

Phase I:

- Nutrition labeling is required if prepackaged food makes nutrient-related claims.
- Prepackaged food with nutrient-related claims must label energy plus five core nutrients, as well as any nutrient for which a claim is made.
- Existing products that carry nutrition information but without claims would be excluded in Phase I.

Phase II:

- Mandatory nutrition labeling is extended to all prepackaged food, except those exempted.
- All prepackaged food must label energy plus nine core nutrients, as well as any nutrient for which a claim is made.

Timing:

Phase I will commence after the enactment of the legislation, with two years' grace period given before its implementation.

Phase II will start two years after the implementation of phase I.

The Hong Kong government aims to introduce the drafted legislation to the Legislative Council in 2006, meaning that all prepackaged food items would have to carry a nutrition label by 2010 at the earliest.

Some differences currently exist between the U.S. and Hong Kong nutrition labeling requirements. The proposed rule makes close reference to the Codex system. Nutrient amounts must be provided in absolute amount per 100 g or 100 ml. In contrast, the U.S. regulation requires nutrients be expressed in per serving of food. However, the nine proposed nutrients under Hong Kong's proposal are already covered by U.S. nutrition labeling requirements. U.S. exporters are required to print new labels according to Hong Kong's format.

Hong Kong's nutrition labeling proposal is still subject to amendments. The government estimated that about 10 percent of products would be forced out of the market as a result of implementation of nutrition labeling requirements. It is expected that products that currently have a low volume and low profit margin could face a more severe impact.

Alternatively, the overall effect on U.S. exporters of prepackaged food products to Hong Kong may not be impacted as strongly, since U.S. food products should already meet and use the nutrition labeling information that will be required by the Hong Kong government.

Background

Currently, Hong Kong has no labeling requirements on nutrition. Hong Kong allows food products to have nutrient-related claims in any format. U.S. products, therefore, can be exported to Hong Kong with U.S. nutrition labeling specifications. However, Hong Kong's food labeling regulation, which is applied for prepackaged foods, requires the following information on the packaging.

- Name of the food
- List of Ingredients
- Indication of "best before" or "use by" date
- Statement of Special Conditions for Storage or Instruction for Use
- Name and Address of Manufacturer or Packer
- Count, Weight or Volume

The marking or labeling of prepackaged food can be in either the English or the Chinese language (Hong Kong government accepts both simplified or complicated Chinese characters) or in both languages. However, if both the English and Chinese languages are used in the labeling or marking of prepackaged food, the name of food and the list of ingredients shall appear in both languages.

For more information on Hong Kong labeling requirements, please refer to Gain Report#4018.

The Revised Proposal on Nutrition Labeling

The Hong Kong government published a blueprint of the nutritional labeling in late 2003. That was followed by the government conducting a public consultation and Regulatory Impact Assessment. In April 2005, the administration reported the findings to the Legislative Council and proposed modifications to the nutritional labeling scheme, which was first presented in late 2003.

There are three significant changes to the original proposal.

1. During phase I of the labeling scheme, prepackaged food with nutrient-related claims need to label energy plus five core nutrients, namely protein, carbohydrate, total fat, saturated fat and sodium on their packages, as well as any nutrient for which a claim is made. (Under the original proposal, prepackaged food with nutrient-related claims need to label energy plus NINE core nutrients rather than five.)
2. A two-year grace period will allow U.S. products which carry nutrition information according to U.S. requirements to continue to do so during phase I unless they carry nutrient-related claims. (Under the original proposal, products providing nutrition labeling must do so according to the Hong Kong nutrition specifications as soon as Phase I starts, however this requirement is taken away under the revised proposal.)
3. Requires mandatory labeling for all prepackaged food to be in place two years after the implementation of Phase I (Three years was suggested in the original proposal.)

Proposed Nutrition Labeling Requirements

1. Products Covered

Phase I : Prepackaged foods **with nutrient-related claims only**. If products do not carry any nutrient-related claims then products can carry nutrition information in any format.

Phase II : All prepackaged foods. All prepackaged foods are subject to Hong Kong's nutrition labeling requirements with the following exemptions:

- Prepackaged drinks with an alcoholic strength by volume of more than 1.2 percent;
- Prepackaged food sold at a catering establishment for immediate consumption;
- Individually wrapped confectionery products;
- Individually wrapped preserved fruits;
- Prepackaged food packed in a container of which the aggregated surface area is less than 100cm²;
- Fresh fruit and fresh vegetables;
- Spring water, mineral water, carbonated water to which no ingredient other than carbon dioxide has been added;
- Vinegar which is derived by fermentation exclusively from a single basic product;
- Flavorings;
- Raw meat, poultry (except when ground), fish and seafood; and
- Raw prepackaged ready-to-cook dishes.

Similar to the scope covered by the Codex guidelines on nutrition labeling, the proposed scheme would not be applicable to infant/follow-up formulae, foods for infants and young children, and other foods for special dietary uses.

Formula and baby food for children over three years old will be subject to the new regulation.

2. Energy & Nutrients Labeled

Energy and five core nutrients are required to be provided in Phase I, if products carry any nutrient-related claims. During Phase II, the core nutrients will expand to nine. Details are given in the following table.

Phase I	Phase II
Energy	Energy
Protein	Protein
Carbohydrate	Carbohydrate
Total fat	Total fat
Saturated fat	Saturated fat
Sodium	Sodium
Any nutrient for which a claim is made	Cholesterol
	Sugars
	Dietary fiber
	Calcium
	Any nutrient for which a claim is made

In addition to energy and the nine core nutrients, the proposal allows for listing of nutrition content in the nutrition label voluntarily. The future legislation is expected to include the definition of nutrient. But for vitamins and minerals with Nutrient Reference Values (NRVs) stipulated in Hong Kong's future legislation, they must be present in amounts greater than 5 percent of the NRV per 100 gram (or 100 ml) if their amounts are declared in the nutrition labels.

The Hong Kong government will establish a set of local NRVs by making reference to those recommended by codex and other countries.

3. Nutrient Amount Expression

Energy/nutrients have to be expressed in either of the following manner:

- In absolute amount in kilocalories/metric unit per 100 g (or per 100 ml) of food; and/or
- In absolute amount in kilocalories/metric unit per package, if the package contains only a portion.

In addition, energy/nutrients may be expressed:

- In absolute amount in kilocalories/metric unit per serving as quantified on the label; or
- In relative amount in terms of percentages of the local NRVs per 100 gram (or per 100 ml) or per serving as quantified on the label.

4. Nutrient-related claims

Nutrient-related claims refer to nutrient content claims, nutrient comparative claims or nutrient function claims. The proposal allows claims relating to energy, protein, carbohydrate, fat and components thereof, cholesterol, sugars, dietary fiber and sodium, plus vitamins and minerals for which NRVs have been set for nutrition labeling purposes, and those meeting the Codex's principles and conditions for making such claims. The regulation covering nutrient-related claims is proposed to make close reference to the Codex system.

5. Time Frame

On the enactment of the relevant legislation, there will be a two-year grace period before the implementation of Phase I. Phase II will start two years after the implementation of Phase I. The administration aims to introduce the legislative amendments to the Legislative Council in 2006, implying that all prepackaged food will need to carry nutrition labeling by 2010 the earliest.

6. Language

Regarding language, labeling can be in either English or Chinese (both simplified and complicated Chinese characters are acceptable). However, if some markings are labeled bilingually, nutrition labeling must be done this way as well.

7. The Use of Stickers

For labeling purposes, Hong Kong government accepts stickers on the packaging.

Impact on Trade

The Hong Kong government has conducted a Regulatory Impact Assessment (RIA). The results showed that, taking into account the cost of nutrition labeling on the trade, mandatory nutrition labeling is beneficial to Hong Kong in the promotion of public health and the lowering of health-related costs. The government expects a mandatory labeling scheme to save up to HK\$10 billion (US\$1.3 billion) over 20 years in medical spending and other economic costs versus the costs of its implementation amount to HK\$1.8 billion (US\$23 million). The analysis suggested that a number of niche products with low sales revenue and profit could cease to be exported to Hong Kong. These might amount to between 5 percent and 10 percent of the product variety on sale in Hong Kong.

Hong Kong relies significantly on imports from other countries. RIA has studied nutrition labeling requirements of Hong Kong's major trading partners namely Australia, New Zealand, Canada, Malaysia, USA, EC, Japan, Singapore and Thailand. Products meeting the requirements of only three of these nine countries/regions would have the requisite nutrient information (energy + nine core nutrients) required by Hong Kong's proposed nutrition labeling scheme. These countries include the U.S., Canada and Thailand. In other words, products already meeting the nutrition labeling requirements for the U.S., Canada and Thailand do not have to bear additional testing cost in order to meet Hong Kong's nutrition information requirements.

China is Hong Kong's largest food supplier. Currently, it has no nutrition labeling. The RIA indicated that China has drafted legislation requiring nutrition labeling and is currently considering implementation details.

The RIA identified that nutrition labeling of prepackaged food in Hong Kong is relatively common, with more than half of products having some form of nutrition label and more than a quarter carrying a nutrient-related claim. However, nearly all products will have to be relabeled, and/or tested to meet the Hong Kong nutrition labeling specifications.

Implications on U.S. Exporters

In the United States, nutrition labeling is mandatory for most foods. Under the label's "Nutrition Facts" panel, manufacturers are required to provide information on fourteen core components. This list already encompasses the required components listed under Hong Kong's nutrition labeling proposal. The table below compares the requisite nutrient information between the U.S. and Hong Kong. In the United States, the mandatory (*italic*) and voluntary components have to be presented in the following order.

U.S. Nutrition Facts	Hong Kong's Proposal
<i>Total calories</i>	Energy
<i>Calories from fat</i>	
Calories from saturated fat	
<i>Total fat</i>	Total fat
<i>Saturated fat</i>	Saturated fat
Polyunsaturated fat	
Monounsaturated fat	
<i>Cholesterol</i>	Cholesterol
<i>Sodium</i>	Sodium
Potassium	
<i>Total carbohydrate</i>	Available carbohydrate
<i>Dietary fiber</i>	Dietary fibre
Soluble fiber fat	

Insoluble fiber	
<i>Sugars</i>	Sugars
Sugar alcohol	
Other carbohydrate	
<i>Protein</i>	Protein
<i>Vitamin A</i>	
Percent of Vitamin A present as beta-carotene	
<i>Vitamin C</i>	
<i>Calcium</i>	Calcium
<i>Iron</i>	
Other essential Vitamins and minerals	
(In the United States, trans fat will be added to the core list in 2006 making the number of mandatory nutrients on the list to fifteen.)	

Given that U.S. products already has sufficient nutrient information, it appears U.S. exporters generally will not have to bear additional testing costs in order to fulfill Hong Kong's nutrition labeling requirements. However, there are some areas that U.S. exporters may want to note, as differences between the U.S. and the Hong Kong systems do exist.

1) Some exempted product varieties in the United States are not on Hong Kong's exemption list. If U.S. exporters want to export these products to Hong Kong, laboratory testing is warranted to provide nutrition information. Testing costs in addition to re-labeling costs will incur.

The following products are on the U.S. exemption list while not on Hong Kong's proposed exemption list: a) food shipped in bulk, b) plain coffee and tea. If these products are sold to Hong Kong, they will need to comply with Hong Kong's nutrition labeling law in the future. In the United States, some exemptions on nutrition labeling are also given to small businesses, however, these companies are not as likely to be involved in exporting sales. Hong Kong's nutrition labeling proposal provides no exemptions to small businesses.

2) U.S. food products must provide absolute amount of nutrients per serving. Products sold in Hong Kong, according to the proposal, have to provide absolute amount of energy/nutrients in kilocalories/metric unit per 100 g or 100 ml. The information on amount of nutrients per serving will be optional in Hong Kong.

3) Hong Kong will establish a set of local NRVs for nutrition labeling purposes by making reference to those recommended by the Codex and other countries. Sources revealed that the Hong Kong government is in consultation with Mainland Chinese counterparts in setting up a set of local NRVs on the grounds of similar dietary practices. The NRVs could be different from the Daily Values adopted in the United States.

In the United States, nutrients are required to be expressed as percentages of Daily Values. Under Hong Kong's proposal, energy/nutrients must be expressed in terms of percentages of the local NRVs per 100 g (or per 100 ml) or per serving as quantified on the label. The proposed Hong Kong nutrition labeling scheme does not make the stating of "NRVs"

compulsory at this moment. If manufacturers choose to label such information for the Hong Kong market, it has to be done according to the set format.

4) While the United States has very stringent restrictions on nutrient content claims, the requirements in Hong Kong will follow Codex principles and guidelines in this area. U.S. exporters will need to pay close attention to the Hong Kong regulation before making claims on the packaging foods intended for the Hong Kong market.

5) There are two years of grace period after the enactment of nutrition labeling regulation. U.S. products that make nutrient-related claims must be labeled according to the Hong Kong nutrition labeling set format when the grace period ends. Phase I will last for two years and U.S. products, which have not yet modified their nutrition label for the Hong Kong market, can still sell to Hong Kong before the effective date of Phase II as long as they do not have any nutrient – related claims.

6) According to the proposed legislation, certain products are exempted from upcoming nutrition labeling. If Hong Kong exempted food varieties coming from the United States already carry nutrition information in the U.S. format, the information must be either covered up with a sticker or revised in a format complying to the Hong Kong standard. Products that choose to carry nutrition information will lose exemption status automatically, implying that nutrition information is required to be given according to Hong Kong specifications.

(Since the proposed nutrition labeling does not cover infant/follow-up formulae, foods for infants and young children, and other foods for special dietary uses, such products do not have to comply with the enacted nutrition labeling regulation in the future. In other words, these U.S. products with U.S. nutrition labeling format can still be sold in the Hong Kong market without accommodating to the Hong Kong nutrition labeling requirements.)

In summary, U.S. exporters, Hong Kong importers and consumers will share the costs for complying the new nutrition labeling requirements. To a certain extent, less new products may be introduced to the Hong Kong market as the labeling cost will discourage certain exporters who may not want to invest in the initial costs when the some return is not sure. However, the new requirements may also provide opportunities for some U.S. exporters. The U.S. is only one of three countries that have products already providing all the requisite nutrient information required by Hong Kong's proposed nutrition scheme. A comparison between the U.S. nutrition label and the Hong Kong proposed label is given below to summarize the major differences.

U.S. Nutrition Label

Nutrition Facts			
Serving Size ½ cup (114g)			
Servings Per Container 4			
Amount Per Serving			
Calories 90		Calories from Fat 30	
		% Daily Value*	
Total Fat 3g		5%	
Saturated Fat 0g		0%	
Cholesterol 0mg		0%	
Sodium 300mg		13%	
Total Carbohydrate 13g		4%	
Dietary Fiber 3g		12%	
Sugars 3g			
Protein 3g			
Vitamin A 80%		•	Vitamin C 60%
Calcium 4%		•	Iron 4%
* Percent Daily Values are based on a 2,000 calorie diet. Your daily values may be higher or lower depending on your calorie needs:			
	Calories:	2,000	2,500
Total Fat	Less than	65g	80g
Sat Fat	Less than	20g	25g
Cholesterol	Less than	300mg	300mg
Sodium	Less than	2,400mg	2,400mg
Total Carbohydrate		300g	375g
Dietary Fiber		25g	30g
Calories per gram:			
Fat 9 • Carbohydrate 4 • Protein 4			

1. U.S. shows nutrients in absolute amount per serving.
2. Daily Values could be different from Hong Kong's nutrient Reference Values.

Hong Kong Proposed Nutrition Label

Nutrition Information			
Servings Per Package: (insert number of servings)			
Serving Size: g, ml or other unit as appropriate			
	Per 100g or Per 100ml	Per Serving	% NRV Per Serving
Energy	kcal (kJ)	kcal (kJ)	%
Protein	g	g	%
Fat, total	g	g	%
- Saturated fat	g	g	%
Cholesterol	mg	mg	%
Carbohydrate	g	g	%
- Sugars	g	g	%
Dietary fibre	g	g	%
Sodium	mg	mg	%
Calcium	mg	mg	%
Insert nutrient(s) involved in claim(s)	g, mg or µg	g, mg or µg	%
Insert other nutrient(s) to be declared	g, mg or µg	g, mg or µg	%

1. Nutrients will be presented in absolute amount in metric unites per 100 g or per 100 ml.
2. The 2nd (per serving) % 3rd columns (% NRV per serving) are optional.